

# MANAGEMENT MEMO

SUBJECT:	NUMBER:
IT PROJECT SUBMITTAL AND APPROVAL POLICY	DATE ISSUED: OCTOBER 2001
REFERENCES:	EXPIRES: WHEN RESCINDED
STATE ADMINISTRATIVE MANUAL SECTIONS, 4819.32; MANAGEMENT MEMO 98-12; STATE INFORMATION MANAGEMENT MANUAL; SENATE BILL 1/ALQUIST (Ch. 508/1995) AND ASSEMBLY BILL 1686/ COMMITTEE OF INFORMATION TECHNOLOGY (Ch.873/1999)	ISSUING AGENCY: DEPARTMENT OF INFORMATION TECHNOLOGY

This revised policy replaces the *State Information Management Manual (SIMM)*, Feasibility Study Report (FSR) Policy, the *State Administrative Manual (SAM)* Section 4819.32, "Exclusions", and rescinds *Management Memo 98-12*. The policy is effective January 1, 2002, by which time detailed guidelines and procedures for use of the new FSR format will be available. Submittal of documents utilizing the former FSR format is prohibited after March 2002.

## OVERVIEW

The Information Technology (IT) Management Life Cycle begins when a State agency program identifies a problem or opportunity and ends when approved and implemented project assets are placed in the asset management inventory. The IT Management Life Cycle is a continuous process, from strategic planning through the establishment of an IT asset baseline (inventory).



Following the IT Management Life Cycle component illustration, an agency completes the cycle in eight phases. However, as customer needs and technology functionality change, an agency must continue to improve its ability to provide products and/or services to the constituents of California. Therefore, the IT Management Life Cycle continues each time improvement or changes are made to ensure compliance with current policies, standards, and processes.

It is the Department of Information Technology's (DOIT) goal to implement all of the IT Management Life Cycle components. The initial focus is to re-engineer the IT Project Submittal and Approval component (a.k.a. Feasibility Study Report). This approach was based on the results of a survey completed by State agency Chief Information Officers who indicated that the re-engineering of this component represented the greatest potential benefit to State agencies. The DOIT web site will reflect the most current changes to SIMM.

## PURPOSE

Attached to this Management Memo is the revised policy governing the State's IT project submittal and approval process. The policy requires that State IT projects represent a sound investment that contributes to program efficiency and effectiveness. To achieve this goal, agencies shall carry out only IT projects that:

- support Statewide and agency service and technology strategies;
- provide program functionality that meets measurable objectives; and,
- achieve successful product delivery using industry best practices.

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### SUMMARY OF CHANGES

The following bullets outline the changes between the existing and the new project approval processes:

- New requirement – State agencies are required to *electronically register* both reportable **and** delegated IT projects via the Enterprise Management Portfolio System, effective January 1, 2002;
- Change - Allows project submittal information requirements to be commensurate with project size and complexity rather than a single-format FSR;
- Rescind – Management Memo 98-12 (Acquisition and Management of Major Information Technology Projects);
- Replace – completely replace SAM 4819.32 to remove the telecommunications exclusion from the definition of an IT project, to be consistent with SB 1/Alquist (Ch. 508/1995) and AB 1686/Committee on Information Technology (Ch.873/1999);
- Re-enforce the applicability of SAM Section 4982.1.

  
For ELIAS S. CORTEZ  
Chief Information Officer  
State of California

Attachments

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# Department of Information Technology IT Project Submittal and Approval Policy

## Section 1

### 1.0 AUTHORITY

This policy applies to any agency, department, board, commission, data center, or other organizational entity within State government (hereafter referred to as "agency") that falls under the jurisdiction of the Department of Information Technology (DOIT) as defined in Article 10, Section 11780 of Chapter 7 of Division 3 of Title 2 of the Government Code, except those specifically excluded (i.e., University of California, California State University, State Compensation Insurance Fund, community college districts, agencies provided for by Article VI of the California Constitution, and the Legislature).

### 1.1 OVERVIEW

Upon completing a feasibility study regarding an information technology (IT) solution to a programmatic problem or opportunity, each State agency must prepare a Feasibility Study Report (FSR) that represents the study's findings and a project proposal. The FSR must be commensurate with the complexity of the problem or opportunity being addressed and the scope of the proposed solution. It shall provide sufficient detail to clearly demonstrate that the proposed response to the problem or opportunity is achievable, supportable and that the IT investment will enhance the State's ability to provide a product or service.

The FSR must provide a complete summary of the feasibility study results and establish the business case for the investment of State resources in this proposed project. The FSR must also delineate the reasons for undertaking the project, cite the means of ensuring the success of the project, and include a comprehensive cost/benefit analysis.

This policy defines three types of project documents that meet the requirements of a reportable FSR: an FSR Type I, an FSR Type II, and an Advanced Planning Document (APD). The reporting criteria that determine circumstances requiring Department of Information Technology (DOIT), Department of Finance (DOF) and Department of General Services (DGS) review of FSRs and/or APDs are included in this policy.

Based on specific reporting criteria described in this policy, State agencies are required to submit FSRs and APDs, to DOIT, DOF, and DGS when applicable (see responsibilities below). An agency must receive DOIT's approval and, when applicable, DOF's, before project commencement. An agency may request an exemption from this policy for specific IT projects as indicated in the FSR Reporting Exemption Policy (see *SIMM Policy*, FSR Reporting Exemption Request on the DOIT Web site).

To support IT project review and approval, facilitate information sharing, and ensure a complete and accurate statewide IT project inventory, agencies must electronically register all IT projects, **whether reportable, delegated, or exempted**, using DOIT's statewide Enterprise Portfolio Management System (EPMS) at [www.doit.ca.gov](http://www.doit.ca.gov).

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This revised policy is effective January 1, 2002.

### **1.2 INFORMATION TECHNOLOGY**

As defined in Government Code Section 11702, "Information technology means all computerized and auxiliary automated information handling, including systems design and analysis, conversion of data, computer programming, information storage and retrieval, voice, video, data communications, requisite systems controls, simulations, and all related interactions between people and machines.

### **1.3 IT PROJECT SUBMITTAL DOCUMENTS**

The following applies to all reportable IT Projects:

1. Reportable IT projects are subject to DOIT review and approval, as defined under "Responsibilities" below. The amount of information required in an FSR Type I, Type II or APD is commensurate with the project's scope and complexity.
2. Once DOIT and DOF approval is established, IT Project summary information will be available to all State agencies and the Legislature for query purposes.
3. An agency certifies that electronically registered project information is true and accurate upon submittal. An agency may, at any time, be required to provide DOIT, a copy of any document referred to in its FSRs and/or APDs.
4. DOIT will not begin its official FSR, Type I, II or APD review until it has received the IT project original signature page.
5. Agencies are reminded that the provisions of SAM Section 4982.1, "Determination of Agency-Data Center Assignments", are still in effect. Any IT project proposal submitted to DOIT that is in conflict with those provisions must include a clear business case for the request. DOIT will evaluate the business case and render the decision as part of the review process.
6. Additionally, during the conceptual or planning phase, agencies may submit project information using the EPMS to elicit DOIT's advice. DOIT intends to help agencies propose projects that are consistent with the strategic direction of both the agency and the State, as well as with State policies, standards, and best practices. Conceptual review does not constitute approval.

#### **1.3.1 FSR TYPE I**

An FSR Type I is a low complexity project and:

1. It is consistent with the agency's existing architectural strategy;
2. It is less than twice the agency's delegated authority,

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and it is one of the following:

3. In-line software upgrade (version upgrade)
4. Hardware purchase or upgrade
5. Commercial-Off-The-Shelf (COTS) software purchases or upgrades (without customization)
6. Wide Area Network (WAN) implementations using a data center

### **1.3.2 FSR TYPE II**

An FSR Type II is a software development project or a project that does not meet the FSR Type I criteria. FSR Type II requires more detailed documentation.

### **1.3.3 ADVANCED PLANNING DOCUMENT**

Before submitting an FSR, an agency is required to submit an Advanced Planning Document (APD) when one or more of the following criteria occur:

1. Proposed business-based procurement;
2. Planning and procurement activities (prior to contract award) are expected to exceed one year; or
3. DOF budget action is needed to fund all or part of the planning and procurement activities.

For purposes of this policy, the use of a business-based procurement is required for all IT projects or systems deemed to be mission or department critical that have an estimated cost of \$5 million or more. A business-based procurement is defined as a procurement without a predetermined technical solution, utilizing business-based specifications structured to encourage maximum contractor innovation in the provision of business solutions and maximum contractor responsibility for the success of the solutions proposed. Such procurements shall also include phased implementations that are divided into distinct and separable tasks, the completion of which enables the agency to obtain value from the deliverable without further work required. Subsequent to the planning phase, and prior to implementing development activities, an agency is required to submit an FSR Type II document and receive DOIT and DOF approval prior to project commencement.

### **1.3.4 DELEGATED PROJECTS**

Projects that do not meet any of the reporting criteria in section 1.6 are delegated. Under these circumstances, DOIT delegates FSR review responsibility and approval authority to the agency director or designee according to "Responsibilities" defined below. Documentation in support of internally approved projects should be commensurate with the nature, scope, complexity, risk, and estimated cost of the project.

Agencies are required to register all delegated projects once internally approved, which entails the input of summary information regarding the project. Registration of delegated project infor-

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mation is considered certified by the agency that the information is true and accurate. Upon registration, summary project information will be available through the EPMS to all State agencies and the Legislature for query purposes.

### **1.4 PURPOSE**

The purpose of the IT Project Submittal and Approval process is to:

1. Provide sufficient information for DOIT and DOF to understand the business/programmatic justification and priority of the project.
2. Propose a viable and cost-effective solution consistent with statewide policies.
3. Demonstrate that the agency understands and is capable of performing the activities necessary to ensure project success.
4. Demonstrate that the agency is in compliance with all applicable and appropriate State policies, procedures, and standards.
5. Demonstrate that the agency has considered and mitigated the risks associated with the project.

In addition, the IT Project Submittal and Approval documents provide a clear understanding and agreement among the project manager, program management, executive sponsors, and State control agencies concerning the project's scope, requirements, measurable objectives, benefits, management, resources, and risks. The IT Project Submittal and Approval documents serve as the contract between the agency, its executive management, DOIT, and when applicable, DGS and DOF.

### **1.5 OBJECTIVES**

This policy supports the following objectives:

1. Ensure that State IT projects demonstrate programmatic and fiscal benefits, compared to potential risk, that enhance the State's ability to provide products and services to its customers;
2. Ensure DOIT, DOF, and DGS can review the project document concurrently;
3. Facilitate fiscal and programmatic analysis, e.g., Economic Analysis Worksheets;
4. Facilitate DOIT and DGS review of IT proposed procurement methodologies;
5. Establish a statewide repository of approved IT projects;
6. Encourage use of a consistent IT project management methodology through industry standard data requirements;
7. Foster statewide information sharing and multiagency teamwork, thereby improving implementation capability and knowledge transfer; and,
8. Establish the project baseline that is subsequently used for DOIT's statutory project oversight responsibilities.

### **1.6 REPORTABLE PROJECTS**

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This policy classifies IT projects into two major types – *reportable* and *delegated*. Reportable projects are those that meet one or more of the following project reporting criteria:

1. The estimated total development and acquisition costs exceed the established DOIT or DOF departmental cost thresholds.<sup>1</sup>
2. The new system development or acquisition is specifically required by legislative mandate or is subject to special legislative review as specified in budget control language or other legislation.<sup>1</sup>
3. The project involves a budget action.<sup>1</sup>
4. The project will acquire any microcomputer commodities and the agency does not have an approved Workgroup Computing Policy (WCP).
5. The project will include electronic access to private information by entities other than the data owner or those specifically authorized by law.
6. The project will include the installation or expansion of wide area network data communication facilities or services other than those acquired through contracts administered by the Department of General Services, or a State consolidated data center as defined in SAM Section 4982.
7. The project will consist of the development, acquisition or installation of technologies not currently supported by the agency or not currently supported by a State consolidated data center.
8. The project consists of an acquisition or upgrade of a multi-user central processing unit, except for previously approved projects as defined under SAM 4819.2, or servers being used only for departmental Office Automation functions.

### **1.7 EXCLUSIONS**

For purposes of the IT Project Submittal and Approval Policy, the following are excluded from *State Administrative Manual (SAM)* Section 4819.3, which defines State information management authority and responsibility for IT projects:

1. The SAM Section 4819.3 shall not apply to agencies specifically excluded by Section 11791 of the Government Code.
2. Information technology activities directly associated with single-function process-control systems (such as those applied in the controlling of water gates, traffic signals, or environmental systems for buildings), analog data collection devices, or telemetry systems.
3. Acquisition of telecommunications equipment used exclusively for voice or video communications. This exclusion does NOT apply to:
  - a. Voice systems that include the use of interactive databases.
  - b. Videoconferencing systems that include the transmission of sensitive data or the use of interactive databases.
4. Acquisition of electronic typewriters and copiers that are NOT:
  - a. Capable of general purpose computing; or
  - b. Intended to be used as an input/output peripheral device to a computer system.

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<sup>1</sup> Projects meeting Reporting Criteria 1, 2, or 3 are also subject to DOF review and approval.

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5. Acquisition of the following consumable items or office equipment necessary to support approved information technology activities and IT personnel:
  - a. Documents (such as standards and procedures manuals, vendor-supplied systems documentation, and educational training manuals);
  - b. Equipment supplies (such as printer forms, disk packs, "floppy" disks, compact disks, magnetic tape, and printer ribbons or cartridges); and,
  - c. Furniture (such as terminal tables and printer stands).

## **1.8 RESPONSIBILITIES**

### **Agency (if applicable)**

1. Review and approve all FSRs and APDs for reportable IT projects prior to submittal to DOIT, DOF, and DGS for review, ensuring consistency with the Agency's IT strategic direction and standards.
2. Ensure that sufficient and complete reportable project documents are provided to DOIT in a timely manner to allow for an adequate control agency review and evaluation period.
3. Certify and sign the transmittal of the reportable FSRs and APDs to DOIT to initiate formal review and approval of the project document (the transmittal form is contained in the *SIMM* guidelines).
4. Ensure that an agency complies with DOIT and DOF's final determination on the reportable FSRs and APDs.

### **Department, board, commission, data center, or other organizational entity ("agency")**

1. Review and approve all FSRs and APDs for reportable IT projects prior to submittal for control agency review, ensuring consistency with the agency's IT strategic direction and standards. The agency is required to have an approved Agency Information Management Strategy (AIMS) and the project proposal must be consistent with the approved AIMS.
2. Assign a sequential agency priority, where "1" is the highest priority within a department by fiscal year. Only one reportable project may be assigned to each a priority. On an annual basis, agencies will be required to submit a project priority list as part of the AIMS. If an event occurs that causes an agency to reprioritize projects, the agency must notify DOIT of this change.
3. The agency must have a current Operational Recovery Plan (ORP) on file with DOIT. The project proposal must include appropriate operational recovery components, and the ORP must be modified to reflect the operational recovery requirements of the project once it is implemented.
4. Certify agency approval of the reportable FSRs and APDs by signing and forwarding the transmittal to DOIT. (the transmittal form is contained in the *SIMM* guidelines at [www.doit.ca.gov](http://www.doit.ca.gov)).
5. Submit the reportable FSRs and APDs using the EPMS that releases the proposed project information for control agency review and evaluation.

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6. Forward two copies of the FSR or APD and the signed transmittal form to DOF and one copy to the Legislative Analyst's Office.
7. Respond within five working days to DOIT requests for clarification or additional information during the review and evaluation period.
8. Notify DOIT within 30 days of enactment of the Budget Act if DOF or legislative action modifies project resources. The submission of a revised project document may be required prior to project commencement.
9. Comply with DOIT and DOF's final determination on the reportable project.
10. The agency director or designee shall review and approve delegated projects. Delegated projects must be registered via the statewide EPMS before project commencement.

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1. Review reportable IT project proposals upon receipt of the signed transmittal to ensure that the proposed IT solution:
  - a) addresses the identified programmatic problem or opportunity;
  - b) conforms with State policies, standards, and procedures;
  - c) reflects a reasonable cost and acceptable level of risk;
  - d) aligns with IT plans at the State, Agency, and department levels; and,
  - e) is accompanied by thorough project planning, ensuring a reasonable probability of project success.
2. Request clarification or additional information during its review and evaluation period.
3. Issue a position to the agency in writing regarding each IT project proposal.

### **Department of Finance**

DOF reviews reportable FSRs and APDs for financial soundness. DOF must be assured that the agency has established a sound business case for the proposed project and that the anticipated benefits justify the investment of State resources and the potential risk associated with the project. DOF makes funding decisions and issues a written position regarding the expenditure of resources on the proposed project.

### **Department of General Services**

DGS reviews the proposed IT Procurement Plans (ITPP) associated with reportable FSRs, and ADPs when the project procurement exceeds \$500,000 to ensure that proposed acquisition of IT goods and services provides the best value to the State and is consistent with statewide policy. DGS submits its recommendation regarding the reasonableness of the proposed procurement methodology to DOIT during the project review and evaluation period.